



Registration of a Charge

Company name: **GLOBALGRANGE 1 LIMITED**

Company number: **11023606**



X765NNAX

Received for Electronic Filing: **17/05/2018**

Details of Charge

Date of creation: **11/05/2018**

Charge code: **1102 3606 0002**

Persons entitled: **LLOYDS BANK PLC**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **JOSEPH PLUMB**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11023606

Charge code: 1102 3606 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th May 2018 and created by GLOBALGRANGE 1 LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 17th May 2018 .

Given at Companies House, Cardiff on 21st May 2018

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated

11 May

2018

(1) GLOBALGRANGE 1 LIMITED

(2) LLOYDS BANK PLC

CHARGE OVER SECURITIES

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THIS DEED is made on the 11th day of May 2018

BETWEEN:

- (1) **GLOBALGRANGE 1 LIMITED**, registered in England and Wales with company number 11023606, whose registered office is situate at 58 Rochester Row, Westminster, London, SW1P 1JU (the “**Chargor**”); and
- (2) **LLOYDS BANK PLC** as security trustee for the Secured Parties (as defined in the Facility Agreement (as defined below)) (the “**Security Trustee**”).

WHEREAS:

- (A) The Chargor enters into this Deed in connection with a facility agreement (the “**Facility Agreement**”) dated 23 December 2013 and originally made between (1) 4 Howley Place Limited (and following the amendment and restatement, Grange City Hotel Limited) as borrower (2) Lloyds Bank plc as mandated lead arranger, (3) the financial institutions listed in Part 1 and Part of Schedule 1 (*The Original Parties*) of the Facility Agreement as lenders (4) the financial institutions listed in Part 3 of Schedule 1 (*The Original Parties*) of the Facility Agreement as hedge counterparties (5) Lloyds Bank plc as agent and (6) the Security Trustee as amended and restated on or about the date hereof.
- (B) The Board of Directors of the Chargor is satisfied that the giving of the security contained or provided for in this Deed is in the interests of the Chargor and has passed a resolution to that effect.

NOW IT IS AGREED as follows:

1. Definitions and Interpretation

Definitions

- 1.1 Terms defined in the Facility Agreement shall, unless otherwise defined in this Deed, have the same meanings when used in this Deed and in addition in this Deed:

“**Barclays Debenture**”: means the debenture dated on or about the date of this Deed between (1) Globalgrange Hotels Limited, (2) the Chargor and the companies listed in schedule 1 thereto and (3) Barclays Bank Plc

“**Borrower**”: means Grange City Hotel Limited (incorporated in England and Wales with registered number 11044480) whose registered office is situated at 58 Rochester Row, Westminster London SW1P 1JU.

“**Charged Property**”: means all the assets of the Chargor which from time to time are the subject of any security created or expressed to be created in favour of the Security Trustee by or pursuant to this Deed.

“**Delegate**”: means any person appointed by the Security Trustee or any Receiver pursuant to Clauses 13.2 to 13.4 (*Delegation*) and any person appointed as attorney of the Security Trustee and/or any Receiver or Delegate.

“**Liability Period**”: means the period beginning on the date of this Deed and ending on the date on which the Security Trustee is satisfied, acting in good faith, that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

“LPA”: means the Law of Property Act 1925.

“Receiver”: means a receiver or receiver and manager of the whole or any part or parts of the Charged Property.

“Related Rights”: means:

- (a) all dividends, interest and other distributions of any kind and any other moneys paid or payable from time to time in respect of any of the Securities;
- (b) all allotments, accretions, rights, shares, securities, money or other property accruing, offered or issued from time to time by way of bonus, capitalisation, conversion, preference, option, substitution, exchange, redemption or otherwise in respect of any of the Securities; and
- (c) all other rights, assets and advantages from time to time attaching to or deriving from or exercisable by virtue of the ownership of any of the Securities.

“Secured Liabilities”: means all present and future indebtedness, moneys, obligations and liabilities of the Borrower to the Secured Parties under the Finance Documents (including this Deed), in whatever currency denominated, whether actual or contingent and whether owed jointly or severally or as principal or as surety or in some other capacity, including any liability in respect of any further advances made under the Finance Documents, together with all other amounts which may be or become due and payable by the Chargor under this Deed.

“Securities”: means all shares in the capital of the Borrower from time to time legally and beneficially owned by the Chargor or in which the Chargor has an interest, including, without limitation, the shares specified in Schedule 1 (*Details of Securities*).

Construction

1.2 Any reference in this Deed to:

- 1.2.1 the **“Security Trustee”**, the **“Chargor”**, any **“Secured Party”**, the **“Borrower”** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Trustee, shall include any person for the time being appointed as additional security trustee pursuant to the Facility Agreement;
- 1.2.2 **“assets”** includes present and future properties, revenues and rights of every description;
- 1.2.3 **“indebtedness”** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.2.4 a **“person”** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- 1.2.5 a **“regulation”** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation; and

- 1.2.6 a provision of law is a reference to that provision as amended or re-enacted.
- 1.3 Clause and Schedule headings are for ease of reference only.
- 1.4 Any reference in this Deed to a charge of any asset shall be construed so as to include the proceeds of sale of any part of that asset and any other moneys paid or payable in respect of or in connection with that asset.
- 1.5 Any reference in this Deed to any Finance Document or any other agreement or other document shall be construed as a reference to that Finance Document or that other agreement or document as the same may have been, or may from time to time be, restated, varied, amended, supplemented, extended, substituted, novated or assigned, whether or not as a result of any of the same:
- 1.5.1 there is an increase or decrease in any facility made available under that Finance Document or other agreement or document or an increase or decrease in the period for which any facility is available or in which it is repayable;
- 1.5.2 any additional, further or substituted facility to or for such facility is provided;
- 1.5.3 any rate of interest, commission or fees or relevant purpose is changed;
- 1.5.4 the identity of the parties is changed;
- 1.5.5 the identity of the providers of any security is changed;
- 1.5.6 there is an increased or additional liability on the part of any person; or
- 1.5.7 a new agreement is effectively created or deemed to be created.
- 1.6 Any reference in this Deed to **“this Deed”** shall be deemed to be a reference to this Deed as a whole and not limited to the particular Clause, Schedule or provision in which the relevant reference appears and to this Deed as amended, novated, assigned, supplemented, extended, substituted or restated from time to time and any reference in this Deed to a **“Clause”** or a **“Schedule”** is, unless otherwise provided, a reference to a Clause or a Schedule of this Deed.
- 1.7 Unless the context otherwise requires, words denoting the singular number only shall include the plural and vice versa.
- 1.8 Where any provision of this Deed is stated to include one or more things, that shall be by way of example or for the avoidance of doubt only and shall not limit the generality of that provision.
- 1.9 It is intended that this document shall take effect as and be a deed of the Chargor notwithstanding the fact that the Security Trustee may not execute this document as a deed.
- 1.10 Any change in the constitution of the Security Trustee or its absorption of or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person shall not in any way prejudice or affect its rights under this Deed.

Third Party Rights

- 1.11 Unless expressly provided to the contrary in a Finance Document, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

- 1.12 Notwithstanding any term of any Finance Document, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.

2. Grant of Security

- 2.1 The Chargor, as security for the payment, performance and discharge of all the Secured Liabilities, charges in favour of the Security Trustee (as trustee for the Secured Parties) by way of first fixed charge all of its present and future right, title and interest in and to the following assets:
- 2.1.1 the Securities;
 - 2.1.2 all Related Rights; and
 - 2.1.3 all property and rights in respect of any of the Securities and/or Related Rights, or in respect of any account relating to any of the Securities and/or Related Rights, from time to time held by or for the Chargor as a participant, or as beneficiary of a nominee or trustee participant, with any clearance or settlement system, depositary, custodian, sub-custodian, investment manager or broker (whether established in the United Kingdom or elsewhere).

3. Interest

- 3.1 The Chargor covenants with the Security Trustee to pay interest on any amount due under this Deed but which is not paid on its due date from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of any person) at the rate and in the manner specified in Clauses 8.17 to 8.20 (Default Interest) of the Facility Agreement (as if reference to the Borrower were reference to the Chargor and reference to Finance Documents were reference to this Deed), provided that such interest shall accrue and be payable as from the date on which the relevant amount arose without the necessity for any demand being made for payment.

4. Perfection of Security

Deposit of Documents of Title

- 4.1 The Chargor shall promptly deposit (or procure there to be deposited) with the Security Trustee or as it may direct:
- 4.1.1 all original bearer instruments, stock and share certificates and other documents of title or evidence of ownership from time to time relating to any such Charged Property; and
 - 4.1.2 all stock transfers forms (with the name of the transferee, the consideration and the date left blank) and such other documents, in each case duly completed and executed by or on behalf of the Chargor, as the Security Trustee may from time to time request in order to enable the Security Trustee or any of its nominees or any purchaser or transferee to be registered as the owner of or otherwise obtain a legal title to or to perfect its security over any such Charged Property, to the intent that the Security Trustee may at any time following the occurrence of an Event of Default or if the Security Trustee reasonably considers that the Security constituted by this Deed is in jeopardy, without notice to the Chargor, complete and present such stock transfer forms and other documents for registration.

Custody

- 4.2 The Security Trustee shall be entitled to provide for the safe custody by third parties of all bearer instruments, stock and share certificates and other documents of title relating to any Charged Property which is deposited from time to time with it or any of its nominees and the Security Trustee shall not be responsible for any loss of or damage to any such documents of title.

5. Further Assurance

Further Assurance

- 5.1 The Chargor shall promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions as the Security Trustee or any Receiver may reasonably specify (and in such form as the Security Trustee or any Receiver may reasonably require in favour of the Security Trustee or its nominee(s)) to:

- 5.1.1 perfect the security created or intended to be created in respect of the Charged Property (which may include the execution by the Chargor of a mortgage, charge, assignment or other Security over all or any of the assets forming part of, or which are intended to form part of, the Charged Property);
- 5.1.2 facilitate the exercise of any rights, powers and remedies of the Security Trustee or any Receiver or Delegate provided by or pursuant to this Deed or by law; and/or
- 5.1.3 facilitate the realisation of the assets which form part of, or are intended to form part of, the Charged Property.

Necessary Action

- 5.2 The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on the Security Trustee by or pursuant to this Deed.

Implied Covenants for Title

- 5.3 Each of the charges granted by the Chargor under this Deed are granted with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, save that the covenants set out in Section 2(1)(a), Section 3 and Section 4 of that Act shall extend to the Chargor without, in each case, the benefit of Section 6(2) of that Act.

6. Representations

General

- 6.1 The Chargor makes the representations and warranties set out in this Clause 6 to the Security Trustee on the date of this Deed.

Status

- 6.2 It is a limited liability corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- 6.3 It has the power to own its assets and carry on its business as it is being conducted.

Binding Obligations

- 6.4 The obligations expressed to be assumed by it in this Deed are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations and (without limiting the generality of the foregoing) this Deed creates the security which it purports to create and that security is valid and effective.

Power and Authority

- 6.5 It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.
- 6.6 No limit on its powers will be exceeded as a result of the grant of security contemplated by this Deed.

Non-conflict with Other Obligations

- 6.7 The entry into and performance by it of, and the transactions contemplated by, this Deed and the granting of the security under this Deed do not and will not conflict with:
- 6.7.1 any law or regulation applicable to it;
- 6.7.2 its constitutional documents; or
- 6.7.3 any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument,

nor (except as provided in this Deed) result in the existence or imposition of, or oblige it to create, any Security in favour of any person over all or any of its assets.

Insolvency and Centre of Main Interests and Establishments

- 6.8 No corporate action, legal proceeding or other procedure or step in relation to:
- 6.8.1 the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);
- 6.8.2 a composition, compromise, assignment or arrangement with any creditor; or
- 6.8.3 the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer,
- (or any analogous procedure or step in any jurisdiction) has been taken or, to its knowledge, threatened in relation to it or any of its assets.
- 6.9 No expropriation, attachment, sequestration, distress or execution (or any analogous process in any jurisdiction) affecting any of its assets has been taken or, to its knowledge, threatened in relation to it.
- 6.10 It is not unable and has not admitted its inability to pay its debts as they fall due (and has not been deemed to or declared to be unable to pay its debts under applicable law) and it has not suspended or threatened to suspend making payments on any of its debts or, by reason of actual

or anticipated financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness and the value of its assets is not less than its liabilities (taking into account contingent and prospective liabilities).

- 6.11 For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the “**Regulation**”), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in Its jurisdiction of incorporation and it has no “**establishment**” (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction.

Validity and Admissibility in Evidence

- 6.12 All Authorisations required to:

- 6.12.1 enable it lawfully to enter into, exercise its rights and comply with its obligations in this Deed;
- 6.12.2 make this Deed admissible in evidence in its jurisdiction of incorporation; and
- 6.12.3 enable it to create any security expressed to be created by it by or pursuant to, or, as the case may be, any security expressed to have been created by it and to be evidenced in, this Deed and to ensure that such security has the priority and ranking it is expressed to have,

have been obtained or effected and are in full force and effect.

Governing Law and Enforcement

- 6.13 The choice of English law as the governing law of this Deed will be recognised and enforced in its jurisdiction of incorporation.
- 6.14 Any judgment obtained in the courts of England in relation to this Deed will be recognised and enforced in its jurisdiction of incorporation.
- 6.15 It has entered into this Deed for private, commercial purposes and, in any proceedings taken in its jurisdiction of incorporation in relation to this Deed, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

No Filing or Stamp Taxes

- 6.16 Under the law of its jurisdiction of incorporation it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar taxes or fees be paid on or in relation to this Deed or the transactions contemplated by this Deed, except registration of a certified copy of this Deed at Companies House under Section 859A of the Companies Act 2006 and payment of associated fees, which registration and fees will be made and paid promptly after the date of this Deed.

No Breach of Law or Default

- 6.17 It has not breached any law or regulation which breach might reasonably be expected to have a Material Adverse Effect.
- 6.18 It is not in material breach under any agreement to which it is a party nor is it in default in respect of any material financial commitment or liability.

No Misleading Information

- 6.19 All financial and other information provided by it (including its advisers) to any Secured Party was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any respect.

No Proceedings Pending or Threatened

- 6.20 No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it.

Creation of Security

- 6.21 This Deed creates or, as applicable, evidences in favour of the Security Trustee the security which it purports to create or evidence with the ranking and priority which it is expressed to have.
- 6.22 Without limiting Clause 6.21 above, its payment obligations under this Deed rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.
- 6.23 No Security exists over all or any of the Charge Property and no arrangement or transaction as described in Clause 7.2 (*Negative Pledge*) below has been entered into by it and is outstanding.

Good Title to Assets

- 6.24 It has a good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to the Charged Property.
- 6.25 It is the sole legal and beneficial owner of the assets over which it purports to grant security under this Deed in relation to the Charged Property.

Ownership

- 6.26 The Borrower's entire issued share capital is legally and beneficially owned and controlled by the Chargor.

Shares

- 6.27 All Securities are fully paid and not subject to any option to purchase or similar rights.
- 6.28 The constitutional documents of the Borrower do not and could not restrict or inhibit any transfer of any Securities on creation or enforcement of the Transaction Security.
- 6.29 There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any Securities (including any option or right of pre-emption or conversion).

Continuing Representations

- 6.30 The Chargor undertakes with the Security Trustee that the representations and warranties in this Clause 6 will be true and accurate throughout the continuance of this Deed by reference to the facts and circumstances existing from time to time.

7. Undertakings

General

- 7.1 The undertakings in this Clause 6 remain in force from the date of this Deed for so long as any amount is outstanding under this Deed.

Negative Pledge

- 7.2 The Chargor shall not create or extend or permit to arise or subsist any Security or any trust over the whole or any part of the Charged Property or enter into any arrangement or transaction as described in Clause 21.5 (Negative Pledge) of the Facility Agreement in respect of any asset forming part of, or intended to form part of, the Charged Property, other than as permitted under Clause 21.5.3 of the Facility Agreement and pursuant to Clause 3.5 (*Floating charge*) of the Barclays Debenture.

Restriction on Disposals

- 7.3 The Chargor shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, transfer, assign, lend or otherwise dispose of the whole or any part of the Charged Property.

Pre-emption Rights and Restrictions on Transfer

- 7.4 The Chargor shall not, without the prior written consent of the Security Trustee, create, grant or consent to exist (whether under any relevant articles of association or other constitutional documents or otherwise):

- 7.4.1 any option to purchase or similar rights;
- 7.4.2 any rights of pre-emption or conversion; or
- 7.4.3 any restriction or inhibition on transfer or realisation,
- 7.4.4 in each case in respect of all or any part of the Charged Property.

- 7.5 The Chargor shall use its reasonable endeavours to procure that the board of directors of any company in which any of the Charged Property is held approves any transfer of any Charged Property desired to be made by the Security Trustee in the exercise of the rights, powers, authorities and discretions conferred on it by or pursuant to this Deed or by law.

Variation of Rights

- 7.6 The Chargor shall not, without the prior written consent of the Security Trustee, cause or permit any rights attaching to or conferred by all or any part of the Charged Property to be varied or abrogated.
- 7.7 The Chargor shall not, without the prior written consent of the Security Trustee, cause or permit any of the Charged Property to be consolidated, sub-divided or converted or the other capital of the Borrower to be re-organised, exchanged or repaid or any further shares in the capital of the Borrower to be issued.

Exercise of Member's Rights

- 7.8 The Chargor shall not, without the prior written consent of the Security Trustee, do or cause or permit to be done anything which shall require the Borrower to treat any person who is not the registered holder of any of the Charged Property as entitled to enjoy or exercise any rights of a member in relation to the whole or any part of the Charged Property, except pursuant to the terms of this Deed.

Calls and Other Obligations

- 7.9 The Chargor shall promptly pay all calls, instalments and other amounts that may be or become due and payable in respect of all or any part of the Charged Property and, if it fails to do so, the Security Trustee may elect (but shall not be obliged) to pay such amounts on behalf of the Chargor. Any amounts so paid by the Security Trustee shall be reimbursed by the Chargor to the Security Trustee on demand and shall carry interest at the rate specified in Clause 3 (*Interest*) from the date of payment by the Security Trustee up to and including the date of reimbursement by the Chargor (after as well as before any judgment).
- 7.10 The Chargor shall comply with, and shall remain liable to observe and perform, all of the other conditions and obligations assumed by it in respect of all or any part of the Charged Property.

Communications

- 7.11 The Chargor shall forward to the Security Trustee any notices, reports, accounts, circulars and other documents or communications relating to the Charged Property as soon as they are received by it or on its behalf.
- 7.12 Without prejudice to Clause 7.11 above, the Chargor shall forward to the Security Trustee as soon as they are received by it or on its behalf, and shall comply with, all requests for information which is within its knowledge and which it is required to comply with by law (including, without limitation, all requests made under Section 793 of the Companies Act 2006) or under the articles of association or other constitutional documents relating to any of the Charged Property and, if it fails to do so, the Security Trustee may elect (but shall not be obliged) to provide such information as it may have on behalf of (and at the expense of) the Chargor.

Acquisition of Charged Property

- 7.13 The Chargor shall promptly notify the Security Trustee of:
- 7.13.1 its acquisition of, or of its agreement to acquire, any Securities; and
 - 7.13.2 the accrual, offer or issue of any Related Rights and shall, if requested by the Security Trustee, acquire (by payment or otherwise) any Related Rights if failure to take up such Related Rights might, in the opinion of the Security Trustee, prejudice the value of, or the ability of the Security Trustee to realise, the security constituted or intended to be constituted by this Deed.

Information

- 7.14 The Chargor shall promptly supply to the Security Trustee such information as the Security Trustee may reasonably require about the Charged Property and its compliance with the terms of this Deed.

- 7.15 The Chargor shall promptly notify the Security Trustee in writing of any action, claim or demand made by or against it in connection with all or any part of the Charged Property or of any fact, matter or circumstance which may with the passage of time give rise to such an action, claim or demand, together with the Chargor's proposals for settling, liquidating, compounding or contesting the same and shall, subject to the Security Trustee's approval of such proposals, implement them at its own expense.

Ownership

- 7.16 The Chargor shall ensure that at all times it legally and beneficially owns and controls the entire share capital of the Borrower.

Not Jeopardise Security

- 7.17 The Chargor shall not do or cause or permit to be done anything which might depreciate, jeopardise or otherwise prejudice the value to the Security Trustee of the security constituted or intended to be constituted by this Deed in any material respect.

8. Voting Rights and Dividends

Before Enforcement

- 8.1 At any time before the security constituted by this Deed has become enforceable:
- 8.1.1 the Chargor shall be entitled to exercise all voting and other rights and powers in respect of the Charged Property or, if any of the same are exercisable by the Security Trustee or any of its nominees, to direct in writing the exercise of those voting and other rights and powers, **provided that:**
- (a) it shall not do so in any manner which would breach the provisions of the Finance Documents or for any purpose inconsistent with the Finance Documents; and
 - (b) the exercise of or failure to exercise those voting or other rights and powers would not, in the opinion of the Security Trustee, have an adverse effect on the value of the Charged Property or otherwise prejudice the interests of any Secured Party under the Finance Documents; and
 - (c) the Chargor shall only be entitled to retain and apply for its own use any dividends, interest and/or other moneys paid or payable in respect of the Charged Property only to the extent that the same is permitted by the terms of the Finance Documents.

After Enforcement

- 8.2 At any time after the security constituted by this Deed has become enforceable, the Security Trustee may at its discretion (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor and irrespective of any direction given by the Chargor):
- 8.2.1 exercise or direct the exercise of (or refrain from exercising) all voting and other rights and powers in respect of the Charged Property (and the Chargor shall comply or procure compliance with any directions of the Security Trustee in respect of the exercise of those voting and other rights and powers and shall (and shall procure that any of its nominees shall) accept short notice for and attend any meeting of the holders of any Charged Property and shall promptly execute and/or deliver to the Security

Trustee such forms of proxy as the Security Trustee requires with a view to enabling such person as it selects to exercise those voting and other rights and powers);

- 8.2.2 apply all dividends, interest and other moneys paid or payable in respect of the Charged Property in accordance with Clause 16.1 (*Order of Application*) and, if any of the same are paid or payable to the Chargor, the Chargor shall hold all such dividends, interest and other moneys on trust for the Security Trustee (as trustee for the Secured Parties) and pay the same immediately to the Security Trustee or as it may direct to be applied in accordance with that Clause;
- 8.2.3 if not already so transferred, transfer the Charged Property into the name of, or (as applicable) into an account in the name of, the Security Trustee or any of its nominees; and
- 8.2.4 in addition to any other power created under this Deed, exercise or direct the exercise of (or refrain from exercising) all the powers and rights conferred on or exercisable by the legal or beneficial owner of the Charged Property and, except as expressly provided for in the Deed, all the powers and discretions conferred on trustees by the Trustee Act 1925 and the Trustee Act 2000, including, without limitation, the general power of investment set out in Section 3 of the Trustee Act 2000, **provided that** the duty of care set out in Section 1(1) of the Trustee Act 2000 shall not apply to the exercise of any other power of investment (however conferred) by the Security Trustee or any of its nominees in respect of securities or property subject to a trust.

9. Enforcement of Security

When Security becomes Enforceable

- 9.1 The security constituted by this Deed shall become immediately enforceable and the power of sale and other powers conferred by Section 101 of the LPA, as varied or extended by this Deed, shall be immediately exercisable upon and at any time after the occurrence of an Event of Default.
- 9.2 After the security constituted by this Deed has become enforceable, the Security Trustee may in its absolute discretion enforce all or any part of that security at the times, in the manner and on the terms it thinks fit and take possession of and hold or dispose of all or any part of the Charged Property.

Right of Appropriation

- 9.3 To the extent that any of the Charged Property constitutes “**financial collateral**” and this Deed and the obligations of the Chargor under this Deed constitute a “**security financial collateral arrangement**” (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (the “**FCA Regulations**”)), the Security Trustee shall have the right, at any time after the security constituted by this Deed has become enforceable, to appropriate all or any part of such financial collateral in or towards discharge of the Secured Liabilities. For this purpose, the parties agree that the value of any Charged Property constituting such financial collateral shall be the market price of such Charged Property determined by the Security Trustee by reference to a public index or by such other process as the Security Trustee may select, including independent valuation. The parties agree that the manner of valuation provided for in this Clause 9.3 shall, in each case, constitute a commercially reasonable manner of valuation for the purposes of the FCA Regulations.

Redemption of Prior Mortgages

- 9.4 The Security Trustee or any Receiver may at any time:
- 9.4.1 redeem any prior Security over any Charged Property; or
 - 9.4.2 procure the transfer of that Security to the Security Trustee; or
 - 9.4.3 settle and pass the accounts of the person or persons entitled to such Security (and any accounts so settled and passed shall be conclusive and binding on the Chargor).
- 9.5 All principal moneys, interest, costs, charges and expenses of and incidental to any such redemption or transfer shall be paid by the Chargor to the Security Trustee and every Receiver on demand and shall be secured by this Deed.

Limited Recourse

- 9.6 The Security Trustee agrees that its rights of enforcement under this Deed in respect of the Secured Liabilities against the Chargor shall be limited to the rights of enforcement or recovery against the Charged Property.

10. Extension and Variation of the LPA

General

- 10.1 For the purposes of all powers implied by the LPA, such powers shall arise (and the Secured Liabilities shall be deemed to have become due and payable for that purpose) on the date of this Deed.
- 10.2 Section 103 of the LPA (restricting the power of sale) and Section 93 of the LPA (restricting the right of consolidation) shall not apply to the security constituted by this Deed.

Privileges

- 10.3 Each Receiver and the Security Trustee is entitled to all the rights, powers, privileges and immunities conferred by the LPA on mortgagees and receivers.

11. Appointment of Receiver

Appointment

- 11.1 At any time after the security constituted by this Deed has become enforceable or if an application is presented for the making of an administration order in relation to the Chargor or any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Chargor or files such a notice with the court or if the Chargor so requests the Security Trustee in writing (in which case, in each such case, the security constituted by this Deed shall become immediately enforceable), the Security Trustee may, without prior notice to the Chargor, appoint free from the restrictions imposed by Section 109(1) of the LPA either under seal or in writing under its hand any one or more persons to be a Receiver of the whole or any part or parts of the Charged Property in like manner in every respect as if the Security Trustee had become entitled under the LPA to exercise the power of sale conferred under the LPA.

Removal

- 11.2 The Security Trustee may by writing under its hand (or by an application to the court where required by law):
- 11.2.1 remove any Receiver appointed by it; and
 - 11.2.2 appoint, whenever it deems it expedient, any one or more persons to be a new Receiver in the place of or in addition to any Receiver.

Statutory Powers of Appointment

- 11.3 The powers of appointment of a Receiver conferred by this Deed shall be in addition to all statutory and other powers of appointment of the Security Trustee under the LPA (as extended by this Deed) or otherwise and such powers shall be and remain exercisable from time to time by the Security Trustee in respect of any part or parts of the Charged Property.

Capacity of Receiver

- 11.4 Each Receiver shall be deemed to be the agent of the Chargor for all purposes. The Chargor alone shall be responsible for a Receiver's contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him.
- 11.5 The agency of each Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Security Trustee.
- 11.6 If there is more than one Receiver holding office at the same time, each Receiver shall (unless the document appointing him states otherwise) be entitled to act (and to exercise all of the powers conferred on a Receiver under this Deed) individually or together with any other person appointed or substituted as Receiver.

Remuneration of Receiver

- 11.7 The Security Trustee may fix the remuneration of any Receiver appointed by it without any restriction imposed by Section 109(6) of the LPA and the remuneration of the Receiver shall be a debt secured by this Deed, which shall be due and payable immediately upon its being paid by the Security Trustee.

12. Powers of Receiver

General

- 12.1 Each Receiver has, and is entitled to exercise, all of the rights, powers and discretions set out below in this Clause 12 in addition to those conferred by law.
- 12.2 Without prejudice to the generality of this Clause 12, each Receiver shall have all the rights, powers and discretions of an administrative receiver under Schedule 1 to the Insolvency Act 1986 whether he falls within the statutory definition of an administrative receiver or not.

Specific Powers

- 12.3 Each Receiver shall have the following powers (and every reference in this Clause 12.3 to the **"Charged Property"** shall be read as a reference to that part or parts of the Charged Property in respect of which that Receiver was appointed):

- 12.3.1 power to take immediate possession of, get in and collect any Charged Property;
- 12.3.2 power to sell, exchange, convert into money and realise any Charged Property by public auction or private contract and generally in any manner and on any terms as he thinks fit;
- 12.3.3 power to exercise all voting and other rights and powers in respect of any Charged Property;
- 12.3.4 power to appoint and discharge managers, officers, agents and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit and power to discharge any such persons appointed by the Chargor (and the costs incurred by any Receiver in carrying out such acts or doing such things shall be reimbursed to that Receiver by the Chargor on demand and until so reimbursed shall carry interest at the rate specified in Clause 3 (*Interest*) from the date of payment by the Receiver until reimbursed (after as well as before any judgment));
- 12.3.5 power to raise and borrow money either unsecured or (with the prior consent of the Security Trustee) on the security of any Charged Property either in priority to the security constituted by this Deed or otherwise and generally on any terms and for whatever purpose he thinks fit;
- 12.3.6 power to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands relating in any way to any Charged Property;
- 12.3.7 power to bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any Charged Property which may seem to him to be expedient;
- 12.3.8 power to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising any Charged Property;
- 12.3.9 power to exercise in relation to any Charged Property all the powers and rights which he would be capable of exercising if he were the absolute beneficial owner of the same;
- 12.3.10 power to do all other acts and things which he may consider desirable or necessary for realising any Charged Property or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed; and
- 12.3.11 power to exercise any of the above powers in the name of or on behalf of the Chargor or in his own name and, in each case, at the cost of the Chargor.

Security Trustee's Powers

- 12.4 To the fullest extent permitted by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) upon a Receiver may after the security constituted by this Deed has become enforceable be exercised by the Security Trustee in relation to any Charged Property, irrespective of whether or not it has taken possession of any Charged Property and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

13. Discretions and Delegation

Discretion

- 13.1 Any liberty or power which may be exercised or any determination which may be made under this Deed by the Security Trustee or any Receiver may be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

Delegation

- 13.2 Each of the Security Trustee and any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney).
- 13.3 Any such delegation may be made upon such terms and conditions (including the power to sub-delegate) as the Security Trustee or any Receiver (as the case may be) shall think fit.
- 13.4 Neither the Security Trustee nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

14. Power of Attorney

Appointment and Powers

- 14.1 The Chargor, by way of security, irrevocably appoints the Security Trustee, every Receiver and every Delegate severally and independently to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:
- 14.1.1 carrying out any obligation imposed on the Chargor by this Deed; and/or
- 14.1.2 enabling the Security Trustee or any Receiver or Delegate to exercise, or delegate the exercise of, any of the rights, powers, authorities and discretions conferred on it or him by or pursuant to this Deed or by law (including the exercise of any right of an absolute legal or beneficial owner of the Charged Property).

Ratification

- 14.2 The Chargor shall ratify and confirm whatever any attorney does or purports to do pursuant to its appointment under Clause 14.1 (*Appointment and Powers*).

15. Protection of Purchasers

Consideration

- 15.1 The receipt of the Security Trustee or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Charged Property or in making any acquisition in the exercise of their respective powers, the Security Trustee, every Receiver and every Delegate may do so for such consideration, in such manner and on such terms as it or he thinks fit.

Protection of Third Parties

- 15.2 No person (including a purchaser) dealing with the Security Trustee, any Receiver or any Delegate shall be bound to enquire:
- 15.2.1 whether the Secured Liabilities have become payable; or
 - 15.2.2 whether any power which the Security Trustee or any Receiver or Delegate is purporting to exercise has arisen or become exercisable; or
 - 15.2.3 whether any money remains due under the Finance Documents; or
 - 15.2.4 how any money paid to the Security Trustee or to any Receiver or Delegate is to be applied,

or shall be concerned with any propriety, regularity or purpose on the part of the Security Trustee or any Receiver or Delegate in such dealings or in the exercise of any such power.

16. Application of Proceeds

Order of Application

- 16.1 All moneys received or recovered by the Security Trustee, any Receiver or any Delegate pursuant to this Deed, after the security constituted by this Deed has become enforceable, shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the LPA) be applied in the following order (but without prejudice to the right of the Security Trustee to recover any shortfall from the Chargor):
- 16.1.1 in or towards payment of all costs, losses, liabilities and expenses of and incidental to the appointment of any Receiver or Delegate and the exercise of any of his rights and powers, including his remuneration, and all outgoings paid by him; and
 - 16.1.2 in or towards payment of all other Secured Liabilities or such part of them as is then due and payable to the Secured Parties in accordance with the order of application set out in Clauses 30.8 to 30.10 (*Partial Payments*) of the Facility Agreement.
- 16.2 Clause 16.1 (*Order of Application*) will override any appropriation made by the Chargor.

New Accounts

- 16.3 If the Security Trustee (acting in its capacity as trustee for the Secured Parties or otherwise) or any other Secured Party at any time receives, or is deemed to have received, notice of any subsequent Security or other interest affecting any Charged Property, the Security Trustee and/or any other relevant Secured Party may open a new account with the Chargor.
- 16.4 If the Security Trustee and/or any other Secured Party does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received, or was deemed to have received, such notice. As from that time all payments made by or on behalf of the Chargor to the Security Trustee (whether in its capacity as trustee for the Secured Parties or otherwise) and/or any other Secured Party shall be credited or be treated as having been credited to the new account of the Chargor and not as having been applied in reduction of the Secured Liabilities.

Currency Conversion

- 16.5 For the purpose of or pending the discharge of any of the Secured Liabilities, the Security Trustee and each other Secured Party may (in its absolute discretion) convert any moneys received or recovered by it or any Receiver or Delegate pursuant to this Deed or any moneys subject to application by it or any Receiver or Delegate pursuant to this Deed from one currency to another and any such conversion shall be made at the Security Trustee's (or that Secured Party's) spot rate of exchange for the time being for obtaining such other currency with the first currency and the Secured Liabilities shall be discharged only to the extent of the net proceeds of such conversion realised by the Security Trustee or that Secured Party. Nothing in this Deed shall require the Security Trustee to make, or shall impose any duty of care on the Security Trustee or any other Secured Party in respect of, any such currency conversion.

17. No Liability

No Liability as Mortgagee in Possession

- 17.1 Neither the Security Trustee nor any Receiver or Delegate shall in any circumstances (either by reason of taking possession of any Charged Property or for any other reason and whether as mortgagee in possession or on any other basis) be liable to account to the Chargor for anything, except actual receipts, or be liable to the Chargor for any costs, charges, losses, liabilities or expenses arising from the realisation of any Charged Property or from any act, default or omission of the Security Trustee, any Receiver, any Delegate or any of their respective officers, agents, employees or nominees in relation to the Charged Property or from any exercise or purported exercise or non-exercise by the Security Trustee or any Receiver or Delegate of any power, authority or discretion provided by or pursuant to this Deed or by law or for any other loss of any nature whatsoever in connection with the Charged Property or the Finance Documents.

No Obligations in relation to Charged Property

- 17.2 Neither the Security Trustee nor any of its nominees shall be liable to make any payment in respect of any calls, instalments or other amounts that may be or become due in respect of the Securities or be under any duty to ensure that any Related Rights receivable in respect of the Securities are duly and punctually paid, received, collected or exercised when they become due and payable or exercisable, or to ensure the taking up of (or any offer of) any Related Rights accruing, offered or issued at any time in respect of the Securities, or to make any enquiry into the nature or sufficiency of any payment paid or received in respect of the Securities or to present or file or make any claim, take any action or do any other act or thing for the purpose of collecting and/or enforcing the payment of any amount in respect of any Securities or to enforce any other right, title or interest to which the Security Trustee or any of its nominees may at any time be entitled pursuant to this Deed.

18. Set-Off

- 18.1 Without limiting any other rights conferred on the Security Trustee and/or any other Secured Party by law or by any other agreements entered into with the Chargor, the Security Trustee and each other Secured Party may (but shall not be obliged to) set off any matured obligation due from the Chargor under this Deed (to the extent beneficially owned by the Security Trustee or, as the case may be, that Secured Party) against any obligation (whether matured or not) owed by the Security Trustee or, as the case may be, that Secured Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Security Trustee or, as the case may be, that Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If the obligation owed by the Security Trustee and/or any other Secured Party is

unliquidated or unascertained, the Security Trustee or, as the case may be, that Secured Party may set off in an amount estimated by it in good faith to be the amount of that obligation.

19. Effectiveness of Security

Continuing Security

- 19.1 The security constituted by this Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, unless and until discharged by the Security Trustee, and will extend to the ultimate balance of all the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

Cumulative Rights

- 19.2 The security constituted by this Deed and all rights, powers and remedies of the Security Trustee provided by or pursuant to this Deed or by law shall be cumulative and in addition to, and independent of, any other Security now or subsequently held by the Security Trustee or any other Secured Party for the Secured Liabilities or any other obligations or any rights, powers and remedies provided by law. No prior Security held by the Security Trustee (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Property shall be superseded by, supersede or merge into, the security constituted by this Deed.

Reinstatement

- 19.3 If any discharge, release or arrangement (whether in respect of the obligations of a Transaction Obligor) or any Security for those obligations or otherwise) is made by the Security Trustee or any other Secured Party in whole or in part on the faith of any payment, Security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Chargor under, the security constituted by this Deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.
- 19.4 The Security Trustee may concede or compromise any claim that any payment or any discharge is liable to avoidance or reduction.

Waiver of Defences

- 19.5 Neither the obligations of the Chargor under this Deed nor the security constituted by this Deed nor the rights, powers and remedies of the Security Trustee provided by or pursuant to this Deed or by law will be affected by an act, omission, matter or thing which, but for this Clause 19.5, would reduce, release or prejudice any of its obligations under this Deed, any of that security or any of those rights, powers and remedies (without limitation and whether or not known to it or the Security Trustee or any other Secured Party) including:
- 19.5.1 any time, waiver or consent granted to, or composition with, any Transaction Obligor or any other person;
 - 19.5.2 the release of any Transaction Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
 - 19.5.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Transaction Obligor or any other person or any non-presentation or non-

observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

- 19.5.4 any incapacity or lack of power, authority or legal personality of, or dissolution or change in the members or status of, any Transaction Obligor or any other person;
- 19.5.5 any amendment, novation, supplement, extension (whether of maturity or otherwise), restatement (in each case, however fundamental and of whatsoever nature and whether or not more onerous) or replacement of any Finance Document or any other document or Security including without limitation any change in the purpose of, any extension of or any increase in, any facility or the addition of any new facility under any Finance Document or any other document or Security;
- 19.5.6 any unenforceability, illegality or invalidity of any obligation of any Transaction Obligor or any other person under any Finance Document or any other document or Security; or
- 19.5.7 any insolvency or similar proceedings.

Chargor's Intent

- 19.6 Without prejudice to the generality of Clause 19.5 (*Waiver of Defences*), the Chargor expressly confirms that it intends that the security constituted by this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any facility or amount made available under any of the Finance Documents including, without limitation, any of the same which are for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; and/or any other variation or extension of the purposes for which any such facility or amount might be made available from time to time, together with any fees, costs and/or expenses associated with any of the foregoing

Immediate Recourse

- 19.7 The Chargor waives any right it may have of first requiring the Security Trustee or any other Secured Party to proceed against or enforce any other rights or Security or claim payment from any person or file any proof or claim in any insolvency, administration, winding up or liquidation proceedings relating to any person before claiming from it under this Deed. This waiver applies irrespective of any law or any provision of any Finance Document to the contrary.

Appropriations

- 19.8 Until all the Secured Liabilities which may be or become payable by the Chargor under or in connection with this Deed have been irrevocably paid, performed and discharged in full, the Security Trustee may:
 - 19.8.1 without affecting the liability of the Chargor under this Deed:
 - (a) refrain from applying or enforcing any other moneys, Security or rights held or received by it in respect of the Secured Liabilities; or
 - (b) apply and enforce the same in such manner and order as it sees fit (whether against the Secured Liabilities or otherwise) and the Chargor shall not be

entitled to direct the appropriation of any such moneys, Security or rights or to enjoy the benefit of the same; and/or

- 19.8.2 hold in a suspense account any moneys received from the Chargor or on account of the Chargor's liability in respect of the Secured Liabilities. Amounts standing to the credit of any such suspense account shall bear interest at a rate considered by the Security Trustee to be a fair market rate.

Deferral of Chargor's Rights

- 19.9 Until the Secured Liabilities, and all amounts which may be or become due and payable in respect of the Secured Liabilities, have been irrevocably paid, performed or discharged in full and unless the Security Trustee otherwise directs, the Chargor shall not exercise any rights which it may have by reason of performance by it of its obligations under this Deed:
- 19.9.1 to be indemnified by the Borrower;
- 19.9.2 to claim any contribution from any other guarantor of the Borrower's obligations under the Finance Documents;
- 19.9.3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Trustee and/or any of the other Secured Parties under the Finance Documents or of any other guarantee or Security taken pursuant to, or in connection with, the Finance Documents by the Security Trustee or any other Secured Party;
- 19.9.4 to exercise any right of set-off against the Borrower except for any payments that are then due and payable under the Hotel Services Agreement and permitted to be paid under the Facility Agreement; and/or
- 19.9.5 to claim or prove as a creditor of the Borrower or in its estate in competition with any Secured Party.
- 19.10 The rights of the Security Trustee and/or any of the other Secured Parties under Clause 19.9 above shall be free from any right of quasi-retainer or other rule or principle of fund ascertainment arising either at law or in equity.
- 19.11 If the Chargor receives any benefit, payment or distribution in relation to any rights referred to in Clause 19.9 above (other than in accordance with Clause 19.9.4 above, it shall hold that benefit, payment or distribution to the extent necessary to enable all the Secured Liabilities, and all amounts which may be or become due and payable in respect of the Secured Liabilities, to be repaid in full on trust for the Security Trustee (as trustee for the Secured Parties) and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in accordance with Clause 16.1 (*Order of Application*).

No Security held by Chargor

- 19.12 The Chargor shall not take or receive any Security from any Transaction Obligor or any other person in connection with its liability under this Deed. However, if any such Security is so taken or received by the Chargor:
- 19.12.1 it shall be held by the Chargor on trust for the Security Trustee (as trustee for the Secured Parties), together with all moneys at any time received or held in respect of such Security, for application in or towards payment and discharge of the Secured Liabilities; and

19.12.2 on demand by the Security Trustee, the Chargor shall promptly transfer, assign or pay to the Security Trustee all Security and all moneys from time to time held on trust by the Chargor under this Clause 19.12.

20. Payments

Manner of Payments

20.1 The Chargor shall make all payments required to be made by it under this Deed available to the Security Trustee (unless a contrary indication appears in this Deed) for value on the due date at the time and in such funds specified by the Security Trustee as being customary at the time for settlement of transactions in the relevant currency in the place of payment. Payment shall be made in the currency in which the relevant indebtedness is denominated or, if different, is expressed to be payable and to such account in the principal financial centre of the country of that currency with such bank as the Security Trustee specifies.

No Set-off by Chargor

20.2 All payments to be made by the Chargor under this Deed shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

Tax Gross-Up

20.3 The Chargor shall make all payments to be made by it under this Deed without any deduction or withholding for or on account of Tax, unless such a deduction or withholding is required by law. The Chargor, promptly upon becoming aware that it must make such a deduction or withholding (or that there is any change in the rate or the basis of such a deduction or withholding), shall notify the Security Trustee accordingly.

20.4 If a deduction or withholding for or on account of Tax from a payment under this Deed is required by law to be made by the Chargor, the amount of the payment due from the Chargor shall be increased to an amount which (after making any such deduction or withholding) leaves an amount equal to the payment which would have been due if no such deduction or withholding had been required.

20.5 If the Chargor is required to make a deduction or withholding for or on account of Tax from a payment under this Deed, the Chargor shall make that deduction or withholding and any payment required in connection with that deduction or withholding within the time allowed and in the minimum amount required by law. Within thirty days of making such a deduction or withholding or any payment required in connection with that deduction or withholding, the Chargor shall deliver to the Security Trustee evidence reasonably satisfactory to the Security Trustee that the deduction or withholding has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

21. Expenses, Stamp Taxes and Indemnities

Expenses

21.1 The Chargor shall procure that the Borrower promptly on demand pays to the Security Trustee and each Receiver or Delegate the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and perfection of this Deed and any other ancillary documents referred to in this Deed and in responding to, evaluating, negotiating or complying with any request for an amendment, waiver or consent made by the Chargor in relation to this Deed.

- 21.2 The Chargor shall, within three business days of demand, pay to the Security Trustee and each Receiver or Delegate the amount of all costs and expenses (including legal fees) incurred by any of them in connection with the enforcement of, or the defence, protection and/or preservation of, any rights, remedies and powers under this Deed or the security constituted, or intended to be constituted, by this Deed and any proceedings instituted by or against the Security Trustee as a consequence of taking or holding the security constituted, or intended to be constituted, by this Deed or enforcing any such rights, powers and remedies.

Stamp Taxes

- 21.3 The Chargor shall pay, and shall promptly on demand indemnify the Security Trustee and every Receiver or Delegate against any cost, loss or liability any of them incurs in relation to, all stamp duty, registration and similar Taxes payable in connection with the entry into, performance or enforcement, of this Deed, the security constituted by this Deed or any judgment given in connection with this Deed.

General Indemnity

- 21.4 The Chargor shall, notwithstanding the release or discharge of all or any part of the security constituted by this Deed, promptly indemnify the Security Trustee and every Receiver and Delegate against any cost, loss, liability or damage incurred by any of them as a result of:
- 21.4.1 any default or delay by the Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed;
 - 21.4.2 the taking, holding, protection or enforcement of the security constituted by this Deed; and
 - 21.4.3 the lawful exercise of any of the rights, powers, discretions and remedies vested in the Security Trustee and each Receiver and Delegate by this Deed or by law in respect of the Charged Property.

Currency Indemnity

- 21.5 If any sum owing by the Chargor under this Deed (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:
- 21.5.1 making or filing a claim or proof against the Chargor;
 - 21.5.2 obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings, or
 - 21.5.3 applying the Sum in satisfaction of any of the Secured Liabilities,
- the Chargor shall as an independent obligation, within three Business Days of demand, indemnify the Security Trustee and each Receiver or Delegate to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between:
- 21.5.4 the rate of exchange used to convert that Sum from the First Currency into the Second Currency; and

21.5.5 the rate or rates of exchange available to that person at the time of its receipt of any amount paid to it in satisfaction, in whole or in part, of such claim, proof, order, judgment or award.

21.6 The Chargor waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency or currency unit other than that in which it is denominated or, if different, is expressed to be payable.

Value Added Tax

21.7 Any cost or expense referred to in this Clause 21 is exclusive of any VAT that might be chargeable in connection with that cost or expense. If any VAT is so chargeable, it shall be paid by the Chargor at the same time as it pays the relevant cost or expense

22. Certificates and Determinations

22.1 Any certificate or determination by the Security Trustee of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

23. Partial Invalidity

23.1 If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired and, if any part of the security constituted, or intended to be constituted, by this Deed is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

24. Remedies and Waivers

24.1 No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any right, remedy or power under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right, remedy or power prevent any further or other exercise or the exercise of any other right, remedy or power. The rights, remedies and powers provided in this Deed are cumulative and not exclusive of any rights, remedies or powers provided by law.

24.2 Any amendment, waiver or consent by the Security Trustee under this Deed must be in writing and may be given subject to any conditions thought fit by the Security Trustee. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

25. Notices

Communications in writing

25.1 Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.

Addresses

25.2 The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of the Chargor and the Security Trustee for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below:

Globalgrange 1 Limited

Address: 58 Rochester Row, London SW1P 1JU

Fax Number: 020 7931 0163

For the Attention of: Mr Harpal Singh Matharu

Lloyds Bank plc

Address: 25 Gresham Street, London EC2V 7HN

Fax Number: 020 7356 2485

For the Attention of: Tony Burnell

or any substitute address, fax number or department or officer as the Chargor may notify to the Security Trustee or, as the case may be, the Security Trustee may notify to the Chargor, in each case by not less than five Business Days' notice.

Delivery

- 25.3 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

25.3.1 if by way of fax, when received in legible form; or

25.3.2 if by way of letter, when it has been left at the relevant address or five business days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 25.2 (*Addresses*), if addressed to that department or officer.

- 25.4 Any communication or document to be made or delivered to the Security Trustee will be effective only when actually received by it and then only if it is expressly marked for the attention of the department or officer identified with the Security Trustee's name in Clause 25.2 (*Addresses*) (or any substitute department or officer as it shall specify for this purpose).

26. Counterparts

- 26.1 This Deed may be executed in any number of counterparts and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

27. Assignment

- 27.1 The Security Trustee may assign, charge or transfer all or any of its rights under this Deed without the consent of the Chargor, subject to the provisions of the Facility Agreement. The Security Trustee may disclose any information about the Chargor and this Deed as the Security Trustee shall consider appropriate to any actual or proposed direct or indirect successor or to any person to whom information is required to be disclosed by any applicable law or regulation.

28. Releases

- 28.1 Upon the expiry of the Liability Period (but not otherwise) and subject to Clauses 19.3 and 19.4 (*Reinstatement*), the Security Trustee shall, at the request and cost of the Chargor, take whatever action is necessary to release the Charged Property from the security constituted by this Deed.

29. Governing Law

- 29.1 This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

30. Enforcement

Jurisdiction

- 30.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a “**Dispute**”).
- 30.2 The Chargor agrees that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly it will not argue to the contrary or take proceedings relating to a Dispute in any other courts.
- 30.3 Clauses 30.1 and 30.2 above are for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

IN WITNESS of which this Deed has been entered into as a deed and is intended to be and is delivered on the day and year first before written.

Schedule 1

Details of Securities

Part 1 - Shares

Details of company in which shares are held	Number of shares	Description of shares (class, par value etc)	Registered holder	Share certificate numbers
Grange City Hotel Limited	150	Ordinary shares of £0.01	Globalgrange 1 Limited	1

Part 2 – Other Securities

Details of issuer/obligor/company	Description of stock or other securities	Registered holder (if applicable)	Document evidencing or indicating title
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None as at the date of this Deed.

EXECUTION PAGE

THE CHARGOR

Executed as a deed by
GLOBALGRANGE 1 LIMITED

on being signed by:

TEJINDER PAL SINGH
MATHARU

Director

in the presence of:

Signature of Witness:

Name of Witness:

ELIZABETH WONG

Address of Witness:

BRYAN CAVE LEIGHTON PAISNER LLP

ADELAIDE HOUSE

LONDON BRIDGE

LONDON EC4R 9HA

Occupation of Witness:

TRAINEE SOLICITOR

Address for Notices:

Address:

58 Rochester Row, London SW1P 1JU

Fax:

N/A

Attention:

Mr H S Matharu

THE SECURITY TRUSTEE

Executed as a deed by)
LLOYDS BANK PLC)
on being signed by its duly authorised attorney)
CHARLIE ALANSON)
in the presence of:)



Duly Authorised Attorney

Signature of witness:



Name:

JOSEPH ALANSON

Address:

CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

Occupation:

SOLICITOR